

**Testimony of  
Jack Gold  
Center Industries  
Edison, New Jersey**

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Mr. Chairman and members of the Committee. I wish to thank you for allowing me to testify in support of S.1378, the Small Business Paperwork Reduction Act (SBPRA). My name is Jack Gold. I am the founder and owner/operator of Center Industrial, located in Edison, New Jersey. I am proud to be a member of the National Federation of Independent Business (NFIB) and am honored to be presenting this statement on behalf of NFIB's 600,000 small business members nationwide.

Central Industrial is a family owned and operated business. Four of my eight employees are family members, and after 36 years, I am in the process of passing it on to the next generation. We supply major industry, contractors, and other small businesses like ourselves with products that keep their businesses operating on a day-to-day basis. Some examples of our products are hand tools, power tools, safety products and general hardware.

I am here to testify on the need for the legislative waiver for first time paperwork violations that is contained in the SBPRA of 1999. Small business owners deserve a break when they make an honest mistake, no one is hurt, and the mistake is corrected.

My support for this legislation is based on my experience with a Department of Transportation (DOT) inspection. I sincerely believe that my experience mirrors the stories of many small business owners. We feel that regardless of how hard we try to comply with all the rules and regulations, a government inspector can fine us -- regardless of our spotless record or whether we immediately correct any unintentional mistakes.

On August 13, 1998, we were inspected by the DOT. This was our first contact with the DOT. We were originally told that it was a routine inspection, but later discovered that the inspection was prompted by an anonymous complaint, given by two disgruntled employees who were dismissed for company theft.

The inspectors were given full access to our facility and files because, as far as we were concerned, we had nothing to hide. They were provided with any and all information that they asked for. After the inspection, we were told that certain products were hazardous and that we lacked shipping documents and training for the sale and handling of those products. They were muriatic acid (pool cleaner), fire extinguishers, and Pine Power (cleaner). It never occurred to us that any of these items required special papers or triggered training requirements because anyone can walk into any Home Depot, Lowe=s or Wal-mart and purchase the same or comparable items, throw them into his or her trunk, and drive away without having a second thought. We did not think that these products posed any danger. I would never intentionally place anyone, especially my family, in harm=s way.

Once the inspectors explained that some of our products were deemed Ahazardous@ and that other products required shipping papers, we took the necessary steps to comply. We purchased the DOT=s training CD-ROM and went from there. Training manuals were created and reference guides were purchased. We are currently training all of our employees even though we are only required to train the two or three employees involved with shipping. We identified which products required special shipping papers and drafted a Afill in the blank@ shipping paper and shipping checklist. Copies of the master product list, shipping paper, and checklist are now posted in the shipping / receiving area.

My daughter, Mary Ritchie, helps me run Center Industrial. When we went through the process of researching what steps we needed to take to come into compliance, she spoke with Ms. Collen Abbenhaus of the DOT on a regular basis. We were thankful for Ms. Abbenhaus= assistance, but were under the impression that if we did everything by the book, the original citation would be considered a Awarning.@ This presumption was based on Ms. Abbenhaus= repeated use of the expression, A... if there is a fine...@ when explaining our situation.

Well, there was a fine. In January of 1999 we were presented with a penalty of \$1,575. We were particularly offended by the wording on the ticket that read, AIf, within 45 days of receipt of this ticket, you pay the penalty, this matter will be closed. If you submit an informal response or request a formal hearing, you may be subject to the full guideline penalty of \$4,500.00.@

This, to us, was perceived as a federal agency=s attempt to intimidate a small business so that they would not question the agency=s actions. We are not asking to be excused from any obligations or regulations. But what does this experience tell me and other small business owners? It says that no matter how hard you try to make your business safe for your employees, customers, neighbors and family members, in the end, if a government inspector wants you, they can get you. The government cannot tell me that they care more for my family=s safety and my

company=s reputation than I do. It seems to me that DOT inspectors have more of an incentive to simply issue those tickets that say, Apay us or we=ll run you out of business@ than they do to help us understand how to comply with all these rules and regulations.

It only makes sense that, in cases were there is a paperwork violation and no one is put in harms way, business owners be given a reasonable amount of time to comply before fines are issued. We have been left with the feeling that the DOT misled us. We feel that the DOT wanted to impose a fine from the moment they entered our building no matter what we did.

Thank you for the opportunity to tell you my story in the hopes that it will make a positive difference in the way agencies treat small business owners in the future. I am happy to answer any questions.